

Message Text

UNCLASSIFIED

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ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06

LAB-04 SIL-01 L-03 H-02 DODE-00 PA-02 PRS-01

/098 W

-----280119Z 016421 /20

R 271427Z APR 77

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHINGTON DC 4557

INFO AMEMBASSY ABU DHABI UAE

AMCONSUL DHAHRAN SAUDI ARABIA

AMEMBASSY DOHA QATAR

AMEMBASSY CAIRO EGYPT

AMEMBASSY KUWAIT KUWAIT

AMEMBASSY JIDDA SAUDI ARABIA

AMEMBASSY MUSCAT OMAN

UNCLAS MANAMA 932

E.O. 11652: N/A

TAGS : PFOR, ETRD, BA, XF

SUBJECT : ONE FIRM'S ANXIETY REGARDING PENDING BOYCOTT LEGISLATION

1. DEPT MIGHT FIND INTERESTING ONE U.S. FIRM'S JUDGMENT AND ANXIETY ABOUT PENDING ANTI-BOYCOTT LEGISLATION. AMBASSADOR AND ECON/COMMERCIAL OFFICER WERE BRIEFED BY VISITING LAWYER FROM BROWN AND ROOT, LARGEST AMERICAN FIRM IN BAHRAIN (EXCLUDING THE OIL COMPANY), REGARDING HIS FIRM'S VIEW OF CURRENT STATE OF PLAY IN WASHINGTON ON PENDING ARAB BOYCOTT OF ISRAEL LEGISLATION. LAWYER VISITED BAHRAIN SPECIFICALLY TO BRIEF BROWN AND ROOT REGIONAL HEADQUARTERS' STAFF ON BOYCOTT MATTERS. BROWN AND ROOT IS PESSIMISTIC ABOUT EVENTUAL OUTCOME, SENSING THAT HOUSE VERSION OR SOMETHING CLOSE TO IT WILL PROBABLY PREVAIL, AND THAT IT CONCEIVABLE COULD END FIRM'S SUBSTANTIAL BUSINESS IN THIS REGION. ONLY HOPE IN UNCLASSIFIED

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FACE OF SUCH A BILL WOULD BE FLEXIBLE IMPLEMENTING REGULATIONS. LAWYER READILY ADMITTED THAT BUSINESS IN GENERAL AND OIL AND OIL-RELATED FIRMS IN PARTICULAR (SUCH AS HIS) HAVE BEEN SLOW IN ORGANIZING THEMSELVES TO OPPOSE THOSE ELEMENTS OF THE PROPOSED LEGISLATION WHICH WILL DAMAGE THEIR ABILITY TO FUNCTION IN THE MIDDLE EAST (AS CONTRASTED TO THOSE PARTS OF THE LEGISLATION DIRECTED AGAINST RELIGIOUS, RACIAL DISCRIMINATION, ETC.)THE

SAID THAT ONE CAUSE OF HIS FIRM'S LOW PROFILE ON QUESTION
WAS UNCERTAINTY ABOUT WHERE TFSADMINISTRATION STANDS.

2. PLEASED BY SECRETARY VANCE'S HILL TESTIMONY, AND TO LESSER
DEGREE BY SECRETARY KREP'S, LAWYER SAID IT IS NOW UNCLEAR TO HIS
FIRM WHETHER ADMINISTRATION IS LOBBYING ACTIVELY AND EFFECTIVELY
ON THIS ISSUE. FORMS OF FORMULA SECRETARY PUT FOR *. HIS
LATEST INFORMATION WOULD THAT THE WORD HAD BEEN PASSED BY THE
ADMINISTRATION URGING THAT THE BUSINESS ROUNDTABLE AND THE
ANTI-DEFAMATION LEAGUE AGAIN ATTEMPT TO WORK OUT SOMETHING
MUTUALLY ACCEPTABLE, AND THAT ADMINISTRATION WOULD SUPPORT ANY
COMPROMISE TWO GROUPS COULD REACH WHEN THE SENATE-HOUSE CON-
FERENCE BEGINS. IN OTHER WORDS, THAT THE ADMINISTRATION WOULD NOT
LOBBY ACTIVELY WHILE THE SENATE IS DEBATING ITS BILL OVER THE
NEXT FOUR WEEKS OR SO. THIS, HE FELT, WOULD BE FAR TOO LITTLE AND
TOO LATE IN THE GAME. LAWYER SAID THAT HE EXPECTED THE SENATE
BILL TO BE REPORTED OUT IN FOUR-FIVE WEEKS TIME AND THAT THE
SENATE-HOUSE CONFERENCE WOULD BE BEGUN IMMEDIATELY AFTER THAT.

3. ACTION REQUESTED: PREVIOUS STATUS REPORTS ON THIS QUESTION
HAVE BEEN VERY USEFUL AND WE WOULD APPRECIATE ANOTHER INCLUDING
ESTIMATES, IF POSSIBLE, OF SENATE TIMETABLE. WE NEED THIS
INFORMATION FOR OUR OWN BACKGROUND, AS WELL AS FOR BRIEFING
THE INCREASINGLY ANXIOUS AMERICAN BUSINESS COMMUNITY, AND
THEIR LOCAL LAWYERS, AS WELL AS THE GOVT. OF SAUDI ARABIA, AS
APPROPRIATE.
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Message Attributes

Automatic Decaptioning: X
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Disposition Case Number: n/a
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